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October 29, 1997

MEDI-CAL ELIGIBILITY PROCEDURES MANUAL LETTER NO.: 191

TO: All Holders of the Medi-Cal Eligibility Procedures Manual

Enclosed is a revision to Article 5I, the Qualified Disabled Working Individuals (QDWI) Program. This revision identified by a side bar on page 5I-2, "Dual Eligibility-QDWI/Medi-Cal Eligibles," and it eliminates a person from being eligible for the QDWI program if he/she is eligible for any other Medi-Cal program. Federal regulations do not allow a QDWI to be otherwise eligible for any other Medi-Cal program..

**Procedure Revision:****Description:**

Article 5 I

To clarify pursuant to federal law that those who are otherwise eligible for the Medi-Cal program may not be eligible for the QDWI program.

**Filing Instructions:****Remove Page:****Insert Page:**

Article 5 I  
Pages 5I-1 through 5I-7

Article 5 I  
Pages 5I-1 through 5I-8

If you have any questions regarding this procedure revision, please contact Sylvia Finberg of my staff at (916) 657-0080.

Sincerely,

Original signed by

Frank S. Martucci, Chief  
Medi-Cal Eligibility Branch

Enclosures



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## MEDI-CAL ELIGIBILITY PROCEDURES MANUAL

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### 5I - QUALIFIED DISABLED WORKING INDIVIDUALS (QDWI) PROGRAM

#### **BACKGROUND**

The Qualified Disabled Working Individuals ((QDWI) Program mandates states to pay Part A Medicare premiums for certain qualified disabled individuals who lost Title II and Medicare benefits due to earned income above the required substantial gainful limit (SGA).

#### **REFERENCE**

The ODWI Program was established by the Omnibus Budget Reconciliation Act of 1989, Section 6408(d).

#### **IMPLEMENTATION**

The QWDI Program was implemented February 1, 1991, retroactive to July 1, 1990.

#### **OVERVIEW OF PROGRAM**

The QDWI Program requires the State to pay Part A Medicare premiums for disabled individuals under age 65 who lost Title II and Medicare benefits due to earned income above the required SGA limit. They have income at or below 200 percent of the federal poverty level and property at or below twice that of Medi-Cal. The QDWI Program does not pay the Medicare coinsurance, deductibles, or the Part B medical premium.

#### **ELIGIBILITY**

A QDWI is considered a Medi-Cal beneficiary and must meet all other nonfinancial requirements for full Medi-Cal benefit eligibility such as cooperation, state residency, citizenship, etc.

A QDWI is an individual who:

1. Is eligible to enroll in Medicare Part A hospital insurance (HI) only under a special program (1818A) and who:
  - (A) Has not attained age 65;
  - (B) Has been entitled to disability insurance benefits under Title II;
  - (C) Continues to have a disabling physical or mental condition;
  - (D) Lost Title II benefits due to earnings exceeding the SGA limits (currently \$500 per month); and,
  - (E) Is not otherwise entitled to Medicare.

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2. Has income at or below 200 percent of the federal poverty level (FPL)
3. Has property at or below twice (\$4,000 for one, \$6,000 for two) the Medi-Cal resource limit.

**PLEASE NOTE:** The SSI program considers a disabled individual to be an adult if he/she is 18 years or older unless he/she is a full-time student. This is different from Medi-Cal. Title 22, California of Regulations (CCR), Section 50030 specifies that an 18-21 year old is a child only if he/she is:

- o living away from home and claimed as a tax dependent; or
- o living in the home, unless he/she is blind or disabled and not enrolled in school.

Since it is doubtful that there will be any eligible QDWI children (disabled, working above the SGA level, and no longer entitled to the 39 continuing months of Medicare), no instructions will be provided for this group. Counties should contact DHS if a QDWI child should apply.

NEW QUALIFIED DISABLED WORKING INDIVIDUALS (QDWI) PARAGRAPHS:

### **ELIGIBILITY - QDWIs INELIGIBLE FOR MEDI-CAL**

Federal law states that a QDWI may not be otherwise eligible for Medi-Cal. That is, there is no federal financial participation (FFP) in payments for Medicare Part A premiums for an otherwise eligible QDWI who is also eligible for Medi-Cal under another category or program and who has no share of cost (SOC) or who has met his/her Medi-Cal SOC.

Counties must review Medi-Cal Eligibility Data System (MEDS) Eligibility-Status and the SOC ("SOC-AMT") amount on the MEDS "INQN" screen of every potential QDWI to ensure that he/she is also not eligible for zero SOC Medi-Cal, or SOC Medi-Cal. If the potential QDWI beneficiary is eligible for Medi-Cal, he/she cannot maintain QDWI status.

### **CARD ISSUANCE**

No Medi-Cal card will be issued to a QDWI, since a QDWI cannot be eligible for Medi-Cal.

### **ELGIBILITY FOR UNDOCUMENTED ALIENS AND CERTAIN AMNESTY ALIENS**

Based on the eligibility requirements, individuals who meet Medi-Cal financial criteria but are not eligible for full scope benefits are not eligible for QDWI benefits. Such individuals are:

1. Amnesty aliens (i.e., Temporary Permanent Residents) who are not aged, blind, or disabled (ABD) or under aged 18 and who are still within the five-year waiting period before they can adjust status to that of U.S. lawful permanent resident. These aliens are eligible to receive only restricted (emergency and pregnancy-related) Medi-Cal benefits (NOTE: Once an amnesty alien completes the five-year waiting period and adjusts status to that of U.S. lawful permanent resident, that alien is eligible for QDWI benefits if "otherwise eligible" ; or,
2. Undocumented aliens, who are eligible to receive only restricted (emergency and pregnancy-related) Medi-Cal benefits.

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### RETROACTIVE MEDI-CAL BENEFITS

Retroactive Medi-Cal eligibility (i.e., for the three months before the month of application) is permitted if the individual is entitled to Part A benefits in those retroactive months and is otherwise eligible.

### PART A ENROLLMENT AND BENEFITS

The initial enrollment period for the special 1818A Medicare program is seven (7) months from the date an individual receives notice from SSA that his/her Part A benefits under the regular Medicare program will end due to excess earnings.

The individual fails to enroll during the initial enrollment period (IEP), he/she must wait until the general enrollment period (GEP) of January through March. Those who enroll in the GEP do not receive benefits until July.

**NOTE:** Individuals who are not eligible for or do not wish to be a QDWI may apply and pay their own special Part A premiums during the stated time periods.

### INITIAL QDWI PROCESSING

SSA contracts potential QDWI beneficiaries via an award notice. Later, this may be followed by Medicare notice which indicates the month(s) the state agency paid the beneficiary's Medicare Part A hospital insurance premiums. They also notify the beneficiary when their hospital insurance premiums will no longer be paid by the State. (Similar forms can be found at the end of these procedures.) The individual must pay the Part A premiums for all months during which he/she is not eligible as a QDWI. If otherwise eligible, a QDWI may be eligible for three months retroactive benefits, but not before July 1, 1990.

### EXAMPLE 1

Mr. Smith has an SSA award letter stating that he is eligible for the special Medicare Part A program (1818A) beginning July 1, 1990. He applies for QDWI and Medi-Cal benefits with the county on January 4, 1991 and is determined eligible for both programs. Since a QDWI is also entitled to apply for three months retroactive benefits, the county determines whether Mr. Smith is eligible back to October 1, 1990. If otherwise eligible, his retroactive benefits will cover October, November and December 1990 and SSA will refund any payment he made after the State pays these premiums. However, Mr. Smith will not be reimbursed for any payments he made for July, August, and September 1990.

### EXAMPLE 2

On January 3, 1991, Mrs. Williams applies at SSA for the special 1818A Medicare program during the GEP (January through March) because she failed to apply during her IEP. She then applies with the county on March 16, 1991 for QDWI benefits. Her Medicare award letter states that her benefits will not begin until July 1991. Therefore, if otherwise eligible, the county will report eligibility date of July 1, 1991 to the Premium Payment Unit via the "E-Mail For QDWI" form (See "EMC2/TAO Screen" below). The Premium Payment Unit will verify her eligibility to the county of responsibility.

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### EMC2/TAO SCREEN

Beginning July 1, 1991, a county EMC2/TAO system, "E-Mail For QDWI " form (attached) is to be used to add or delete individuals from the QDWI Program instead of using a MEDS aid code. Counties may report QDWI eligibility, via the EMC2/TAO screen, at any time. However, only QDWI's reported eligible by the 17th of the month will be accreted that month. Those reported after the 17th will be accreted the following month, with retroactive eligibility for the reported month. QDWIs will use their Medicare card for services. The EMC2/TAO procedures are as follows:

1. Sign on to MEDS;
2. At the EMC2/TAO User Menu, select option "B" or bulletin board;
3. Select option, "Forms," ; and,
4. At the screen, "E Mail for QDWI," complete all applicable fields.

### QDWI PROPERTY DETERMINATION

The QDWI property limit may not exceed twice the Medi-Cal resource limit (twice \$2,000 for one, twice \$3,000 for two) for an individual/couple. A separate property determination need not be made for potential QDWI eligibles who are also eligible for regular Medi-Cal.

- a. Consider the property of the QDWI applicant (and spouse, if any). Do not consider the property of any other family members in the home.
- b. Determine the net nonexempt property in accordance with Article 9, Title 22, CCR.
- c. Compare the net nonexempt property to twice the Medi-Cal property limit for one person (or twice the property limit for two persons if the spouse is at home, regardless of whether the spouse is a QDWI applicant/beneficiary).
- d. If the result in Step (c) exceeds twice the Medi-Cal property limit shown in that step, then the applicant is ineligible for QDWI due to excess property. Once the property has been spent down, he/she may reapply.

### **EXAMPLE 1**

Joe and Jackie are married and living together with three minor children. Joe is disabled but is working above the SGA level and is no longer eligible for Title II or Medicare benefits. He is applying for QDWI benefits for himself. Neither he nor Jackie receive Medi-Cal from any other program and they do not wish to. Joe and Jackie have nonexempt property which consists of a checking and savings account. The lowest balance in the month of application is \$5,000. Their three children have separate trust accounts created by their grandparents. The total value of the trust accounts is \$20,000. Joe's and Jackie's names do not appear on any of the trust documents. The EW all only consider Joe's and Jackie's own property and will ignore the children's trust accounts.

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1. \$5,000 - Joe's and Jackie's own net nonexempt property
2. Compare to \$6,000 (twice the Medi-Cal property limit for two)

Joe meets the QDWI property requirements since \$5,000 is less than \$6,000

### **EXAMPLE 2**

Kyle is 21 years old, disabled and residing with his aged mother. He has a job and earns more than the SGA limit. He is not on SSI and is not in school. Kyle has \$2,550 in net nonexempt resources. His mother has \$1,800 in net non exempt resources. Kyle and his mother want to apply for regular Medi-Cal and Kyle wants QDWI coverage.

1. Since Kyle is applying for regular Medi-Cal, the EW will determine property for regular Medi-Cal under regular Medi-Cal rules. Under Section 50030, Kyle is an adult. Kyle is in a separate MFBU from his mother. Since Kyle has more than the Medi-Cal property limit for one (\$2,000), he is ineligible for regular Medi-Cal benefits. His mother has less than the \$2,000 limit; therefore, she is eligible for Medi-Cal.
2. The EW now evaluates whether Kyle is eligible as a QDWI. Kyle is considered an adult under SSI rules and there is no deeming of any other family member's resources except for those of a spouse.

Since Kyle is not married, only his own resources are considered. His total resources are \$2,550 which is less than twice the Medi-Cal limit or \$4,000. There, Kyle meets the QDWI property requirement.

### **QDWI INCOME DETERMINATION**

The QDWI must have income at or below twice the federal poverty level plus the \$20 any income disregard for an aged, blind, or disabled individual. The federal poverty level changes in the spring of each year.

- (a) SSI income methodology allows for deductions not allowed under Medi-Cal and only considers the income of the QDWI applicant and the spouse of the applicant, i.e., deductions for Impairment Related Work Expenses (IRWE) are allowed; however, health insurance premiums, coinsurance, deductible, or other medical care cannot be used to reduce income.

IRWE, as defined in Title 22, CCR, Section 50045.1 are those expenses of working disabled QDWI necessary to become or remain employed. This deduction is only allowed for the QDWI applicant/beneficiary. The IRWE must be paid by the applicant/beneficiary to be allowed.

SSI income methodology allows the ineligible spouse of a QDWI applicant to reduce his/her gross nonexempt income by:

- o Allocating income to ineligible minor child(ren) residing with the applicant, less any income the child(ren) may have. This shall be known as the "Standard QDWI Allocation." The Standard QDWI Allocation amount for 1992 is \$211.00. This amount will increase annually and will be provided to counties when applicable.

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- o If the remaining income of the ineligible spouse after the allocation to the ineligible minor children is equal to or less than the Standard QDWI Allocation amount, the income shall be considered exempt. If there are no ineligible children to allocate to and the ineligible spouse's income is equal to or less than the Standard QDWI Allocation amount, it is also exempt.

(a) SSI Income Determination Form

SSI methodology is to be used with the MC 176 QDWI form to determine the net nonexempt income of a QDWI applicant. The form will accommodate all income and deductions for a QDWI adult, ineligible spouse, or a couple. It provides for the Standard QDWI Allocation determination to an ineligible child(ren) who resides with the QDWI applicant and provides for the QDWI income eligibility determination.

(b) Income Eligibility Determination Process

Determine the net nonexempt unearned income of the QDWI applicant using SSI income methodology in the following order:

- (1) Determine the gross nonexempt income of the QDWI applicant, his/her spouse and ineligible child(ren) who reside with the QDWI applicant. Actual income is to be used to determine gross nonexempt income. Also, the apportionment of income and deductions are not applicable using SSI income methodology.
- (2) Determine any allocation to the ineligible minor child(ren) residing with the QDWI applicant from the ineligible spouse using Section II of the MC 176 QDWI form. The Standard QDWI Allocation is only allowed from an ineligible spouse. Do not allocate from a QDWI applicant. Subtract any income the child(ren) may have from the Standard QDWI Allocation. (Do not include any PA or other PA). The remainder is the actual allocation amount. If the ineligible minor child(ren) is a student, allow the Student Income Deduction. This amount will increase annually and will be provided to counties when applicable.
- (3) After allocating to the ineligible minor children, determine if the remaining income of the ineligible spouse is less than the Standard QDWI Allocation. If so, it is exempt. This also applies to an ineligible spouse with no child(ren). Section III of the MC 176 QDWI can be used to make this determination.

Note: Section III is used for evaluation purposes only. If the remaining income of the ineligible spouse exceeds the Standard QDWI Allocation amount, include the gross income and any applicable allocation to minor ineligible children in Section I.

- (4) Determine the net nonexempt earned income. Allow all applicable deductions as indicated on the MC 176 QDWI. These deductions include: the \$65 and ½ deduction; the IRWE deduction; allocation to ineligible child(ren); and any unused \$20 Any Income Deduction.
- (5) Compare the net nonexempt income to the appropriate percent of the federal poverty level (FPL). Since SSI income methodology only considers the income of the applicant and spouse, determine the appropriate FPL as follows; use the FPL for one, if only the QDWI applicant's income is used or the FPL for two, if the QDWI applicant's income is combined with the spouse's income. If the net nonexempt income is equal to or less than the appropriate FPL, the QDWI applicant is income eligible.

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### EXAMPLE 1

John Ramirez is a disabled individual who is employed in a local restaurant where he earns \$620 per month (gross). He is applying as a QDWI. John is making monthly payments of \$75 for his prosthetic appliance which is necessary; for him to continue to work. His wife Maria has no income. They have two children, Julia and John Jr.; both are students. Julia earns \$325 per month at a local fast food restaurant.

### QDWI Income Eligibility Determination

- (1) Determine the appropriate MFBU. (One)
- (2) Determine the Net Nonexempt Income using the MC 176 QDWI.

\$620	John's Gross Earned Income
<u>  0</u>	Maria has no income
\$620	
- 75	John's IRWE Deduction
<u>\$545</u>	
- 65	Earned Income Deduction
<u>-20</u>	Unused \$20 Any Income Deduction
\$460	
<u>x 1/2</u>	Earned Income Deduction
\$230	

- (3) Compare the Net Nonexempt Income to the Current FPL for the appropriate MFBU.

\$230 < PL for one which is \$1,155 = QDWI eligible)

### EXAMPLE 2

Mary Baker is a disabled individual who is employed at a local department store. She earns \$550 per month (gross). She is applying as a QDWI. Mary's husband John receives \$600 SSA benefits and works at their church making \$300 per month (gross). They have two infant children, John Jr. and Sally.

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### QDWI INCOME ELIGIBILITY DETERMINATION

- (1) Determine the appropriate MFBU. (Two)
- (2) Determination the Net Nonexempt Income using the MC 176 QDWI

\$600 John's Income  
-386 Standard QDWI Allocation (\$193 to each child)

\$214  
- 20 Any income Deduction

\$194 Net Unearned Income

\$550 Mary's Gross Earned Income  
+300 John's Gross Earned Income

\$850  
-65 Earned Income Deduction

\$785  
x 1/2 Earned Income Deduction

\$392.50  
194.00 Net Unearned Income  
\$586.50 Net Nonexempt Income

- (3) Compare the Net Nonexempt Income to the FPL for the appropriate MFBU.

\$586.50 > FPL for two which is \$1,552 = (QDWI eligible)

### FORMS AND NOTICES

The following are QDWI forms and notices which can be found in the forma Section of the Medi-Cal Manual:

MC Information Notice 010 Qualified Medicare Beneficiary Program Information Notice

MC 239 QDWI-1 Medi-Cal Notice of Action (Denials or Discontinuance)

MC 239 QDWI-2 Medi-Cal Notice of Action (Approval)

MC 176 QDWI-2 QDWI Property Worksheet